

Message Text

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PAGE 01 MADRID 00831 061219Z

17

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

FEA-01 SAM-01 /100 W

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R 061000Z FEB 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 1003

INFO US MISSION GENEVA 633

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E.O. 11652: N/A

TAGS: ETRD, GATT, SP

SUBJ: SPANISH CONSIDERATION OF IMPORT DEPOSIT SCHEME

REF: A) STATE 19879; B) MADRID 489

1. ECONOMIC COUNSELOR DISCUSSED QUESTION OF IMPORT DEPOSIT SCHEME WITH MFA DIRECTOR GENERAL FOR INTERNATIONAL ECONOMIC RELATIONS, BASSOLS, WHO SAID GOS DID NOT PLAN ANY SUCH ACTION AT THIS TIME. HE DID, HOWEVER, EMPHASIZE THE SERIOUS CONCERN WITH WHICH GOS VIEWS ITS PRESENT BALANCE OF PAYMENTS SITUATION (DESPITE RESERVES OF \$6 BILLION), GIVEN 1974 TRADE DEFICIT OF \$8.3 BILLION, AND INDICATED THAT SOMETHING WOULD HAVE TO BE DONE TO REDUCE THIS DEFICIT.

2. SINCE OUR ORIGINAL CONVERSATION WITH MIN OF COMMERCE OFFICIAL (REF B), THERE HAS BEEN ADDITIONAL EVIDENCE- BESIDES WHAT BASSOLS SAID- THAT GOS DOES NOT AT THIS TIME PLAN TO EMPLOY IMPORT DEPOSITS. A CONTACT WHO IS DIRECTOR OF SPAIN'S LARGEST BANK AND CLOSE TO MINISTER OF COMMERCE

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PAGE 02 MADRID 00831 061219Z

DISMISSED IDEA ON GROUNDS IT HAD BEEN TRIED IN 1970 AND WAS

ONE OF FACTORS WHICH CAUSED SEVERE ECONOMIC PROBLEMS AT THAT TIME. HE BELIEVED IT WAS NOT NOW UNDER SERIOUS CONSIDERATION. IN JAN 27 SPEECH, MINISTER OF COMMERCE TOLD CORTES THAT SPAIN WOULD MAINTAIN "TRADITIONAL OPEN POLICY" ON FOREIGN TRADE DESPITE THE POOR BALANCE OF PAYMENTS PROSPECTS OCCASIONED BY PRESENT WORLD SITUATION. NOTING A TENDENCY TOWARD SOME IMPROVEMENT IN TRADE PICTURE AT END OF 1974, MINISTER SAID "THERE IS NO REASON TO THINK THAT THIS (OPEN) POLICY SHOULD BE ALTERED FOR THE TIME BEING."

3. WE HAVE RECENTLY HEARD OTHER HINTS OF IMPORT DEPOSIT SCHEME BUT APPARENTLY GOS HAS RULED OUT ITS USE, AT LEAST FOR THE PRESENT. EMBASSY WILL CONTINUE TO MAINTAIN CONTACTS WITH GOS OFFICIALS AND TO REPORT ANY NEW DEVELOPMENTS ON THIS SUBJECT. EATON

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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